COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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J. TYLER McCAULEY
AUDITOR-CONTROLLER

WENDY L. WATANABE
CHIEF DEPUTY

December 5, 2007

TO: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley
Auditor-Controller

SUBJECT: **FISCAL REVIEW OF HANNAH'S CHILDRENS HOMES – A FOSTER FAMILY AGENCY CONTRACTOR**

Attached is our report on the fiscal operations of Hannah's Childrens Homes (Hannah's or Agency) from January 1, 2005 through December 31, 2005. The Department of Children and Family Services (DCFS) contracts with Hannah's to serve as a Foster Family Agency (FFA) to recruit, certify, train and support foster family homes.

During 2005, the Agency had 229 children placed by Los Angeles County in 127 certified foster homes. DCFS paid Hannah's between $1,589 and $1,865 per month for each foster child, or a total of $3,836,073. Hannah's paid $1,605,922 (42%) directly to the foster parents, which exceeds the State minimum of 40%. The Agency has offices in the First and Fifth Supervisorial Districts.

Scope

Our review was intended to determine whether Hannah's complied with its contract terms and appropriately accounted for and spent foster care funds on allowable and reasonable expenditures. We also evaluated Hannah's accounting records, internal controls and compliance with federal, State, and County fiscal guidelines governing the use of FFA funds.

Summary of Findings

We identified $89,224 in questioned costs, including $66,183 in unreasonable compensation, $17,444 in unallowable costs and $5,597 in unsupported/inadequately supported expenditures. In addition, DCFS and the Agency need to work together to resolve potential overpayments totaling approximately $140,000. Hannah's also needs to take steps to ensure that its Board of Directors is independent as required by the California Corporations Code. Finally, the Agency needs to develop a cost allocation plan for its administrative expenses, and strengthen its internal controls over accounting and disbursements, payroll/personnel records, bank reconciliations, reporting independent contractor income and establishing contracts. Details of our findings are discussed in the attached report.

We have recommended that DCFS resolve the questioned costs and collect any disallowed amounts. In addition, DCFS needs to ensure that Hannah's management takes action to address the recommendations in this report and ensure the actions result in permanent changes.

Review of Report

We discussed our report with Hannah's management on May 14, 2007. The Agency's response, which is incorporated into DCFS' Fiscal Corrective Action Plan, is attached. Upon further review by DCFS, $43,544 of the questioned costs was allowed after the agency provided additional information and supporting documentation. DCFS has established a repayment plan for the remaining $45,680 ($89,224 - $43,544). We thank Hannah's management and staff for their cooperation during our review.

Please call if you have any questions, or your staff may contact Jim Schneiderman at (626) 293-1101.

JTM:MO:JLS:MM:RHL:AF

Attachment

c: William T Fujioka, Chief Executive Officer
Patricia S. Ploehn, Director, Department of Children and Family Services
Susan Kerr, Chief Deputy Director, Department of Children and Family Services
Kimberly Berry, Executive Director, Hannah's Childrens Homes
Connie Franks, Assistant Executive Director, Hannah's Childrens Homes
Board of Directors, Hannah's Childrens Homes
Cora Dixon, Bureau Chief, Foster Care Audit Bureau, CA Dept. of Social Services
Sheliah Dupuy, Bureau Chief, Foster Care Rates Bureau, CA Dept. of Social Services
Public Information Office
Audit Committee Members
Commission for Children and Families

REVIEW OF EXPENDITURES

We identified $89,224 in questioned costs. Details of these expenditures are discussed below.

APPLICABLE REGULATIONS AND GUIDELINES

Hannah's is required to operate its FFA in accordance with the following federal, State, and County regulations and guidelines:

- FFA Contract, including Auditor-Controller Contract Accounting and Administration Handbook (A-C Handbook)
- Federal Office of Management and Budget Circular A-122 (Circular), Cost Principles for Non-Profit Organizations
- California Department of Social Services Manual of Policies and Procedures (CDSS-MPP)
- California Code of Regulations, Title 22 (Title 22)

Unallowable Expenditures

We identified $83,627 in unreasonable salary compensation and other unallowable costs.

Unreasonable Salaries

The Agency's Executive Director for the FFA program received $122,300 in annual salary. The Assistant Executive Director (AED) received $99,500.

The A-C Handbook, Section B.3.2 states that the County can use the Child Welfare League of America (CWLA) Salary Study to establish a reasonable level of compensation for contractor personnel. Based on the 2005 CWLA Study, the average annual salary for an Executive Director of Hannah's size is $111,707. Therefore, we are questioning $10,593 as excessive compensation to the Executive Director ($122,300 - $111,707).

The AED's salary of $99,500 also exceeds the CWLA average of $87,820. In addition, the AED received an additional salary of $72,000 as the Director of a Group Home that the Agency operates (no County children were placed in the Agency's Group Home). Both of the AED's salaries are for full-time employees.

We believe it is unreasonable for the AED to receive two full-time salaries. Section B.3.2 of the A-C Handbook states that if an employee works on more than one program, the employee may not charge more than 100% of their time to the contracts or programs taken as a whole. We attempted to review the AED's timecards to determine the amount of time the AED worked in both group homes. However, Hannah's does not have acceptable time reports for its full-time salaried employees.

To determine a reasonable salary for the AED, we assumed the AED worked ½ time on each program. This results in a salary for the FFA program of $43,910 ($87,820 X ½). Based on our estimate of a reasonable salary, we question $55,590 ($99,500 - $43,910) of the AED's salary.

Interest, Fines, Penalties, and Other Unallowable Expenditures

Hannah's incurred $17,444 in unallowable expenditures:

- $13,379 in interest expense and finance charges from Bank of America, various vendors and employee loans. Section 23 of the Circular indicates that interest payments are unallowable. In addition, Section A.3.2 of the A-C Handbook states that interest on loans from employees is unallowable.

- $3,922 in fines and penalties. Specifically, $3,059 in late fees charged by various vendors and $863 in Internal Revenue Service penalties. Section 16 of the Circular indicates that fines and penalties are unallowable costs.

- $130 in entertainment costs. Section 14 of Attachment B of the Circular indicates that entertainment costs, including amusement, diversion, and social activities and any associated costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation and gratuities) are unallowable.

- $13 in alcohol expense. Section 3 of the Circular states that the costs for alcohol are unallowable.

Unsupported/Inadequately Supported Expenditures

The A-C Handbook, Section A.3.2, states that all expenditures must be supported by original vouchers, invoices, receipts, cancelled checks or other documentation. Unsupported expenditures will be disallowed upon audit. We identified $5,597 in expenditures that were either not supported or were not adequately supported. Specifically, we noted the following:

- $3,127 in inadequately supported costs for items such as food, lunch and telephone and holiday party reimbursements to employees. The Agency provided cancelled checks, but no original itemized receipts or explanation of the nature and purpose of the expenses.

- $2,470 in unsupported reimbursements to employees for snacks, gifts, office supplies, postage/freight charges and loans from employees. Without proper receipts, invoices, or other documentation, we could not determine if these expenses were program related.

Recommendations

DCFS management:

1. **Resolve the $89,224 in unallowable and unsupported/inadequately supported costs and, to the extent possible, collect any disallowed amounts.**

Hannah's management:

2. **Ensure that foster care funds are used for allowable expenditures to carry out the purpose and activities of the Agency.**

3. **Maintain adequate supporting documentation for all Agency expenditures, including loan agreements, original itemized invoices and receipts.**

POTENTIAL DCFS OVERPAYMENTS

According to DCFS' records, as of October 2006, Hannah's had an outstanding overpayment balance of $142,940. Hannah's internal records indicate the Agency had $47,174 in FFA overpayments from Los Angeles, Orange, San Bernardino and Riverside counties. DCFS and the Agency should work together to resolve the overpayments and ensure that Hannah's reimburses the County for any confirmed overpayments.

Recommendation

4. **DCFS work with Hannah's to resolve the overpayments and ensure that Hannah's reimburses the County for any confirmed overpayments.**

CONTRACT COMPLIANCE AND INTERNAL CONTROLS

We noted several areas where Hannah's needs to improve its internal control and contract compliance. DCFS should ensure that Hannah's management takes action to address each of the internal control and contract compliance recommendations in this report. DCFS should also monitor to ensure the actions result in permanent changes.

Board of Directors Independence

Section 5227 of the California Corporations Code states that not more than 49% of the members of the board of any corporation may be "interested persons." "Interested persons" includes any person currently being paid by the corporation for services rendered to it within the previous 12 months. Three (50%) of the six Board members are employed by Hannah's. Specifically, the Agency's Executive Director, Assistant Executive Director and a Trainer/Recruiter are full-time salaried employees of the Agency who serve on the Agency's Board.

Recommendation

5. Hannah's management ensure that the membership of the Agency's Board of Directors complies with the California Corporations Code.

Allocation of Costs

The Agency operates an FFA program, a Group Home program and an Adoptions program. Section C.2.0 of the A-C Handbook requires agencies that operate multiple programs to allocate costs that benefit multiple programs on an equitable basis.

The Agency's cost allocation plan did not indicate how the costs were allocated among the programs, nor did the Agency provide documentation to support how administrative expenses were allocated.

Recommendation

6. Hannah's management develop a valid cost allocation plan that allocates the administrative expenses among the various Agency programs and Counties on an equitable basis.

Accounting and Disbursement Procedures

Accounting Procedures

Some expenses were posted to the wrong general ledger accounts. For example, finance charges and late fees from postage/freight, equipment lease and rentals or office supplies were incorrectly recorded with these expenses when they should have been recorded separately. Section A.2.5 of the A-C Handbook states that contractor must consistently post transactions that are of a similar nature to the same account.

Disbursement Procedures

We identified five checks where the check was approved and signed by the payee. Section B.2.1 of the A-C Handbook states that a second signature shall be required on all checks, unless otherwise specified in the contract. We recommend that Hannah's management require a second signature on all checks from someone independent of the expenses incurred to verify the appropriateness of the expenses.

Recommendations

Hannah's management:

7. **Ensure expenditure items are properly classified on the Agency's general ledger on a consistent basis.**

8. **Require a second signature on all checks from someone independent of the expenses.**

Payroll/Personnel Records

We sampled the personnel files and payroll records of 12 employees and noted the following:

- No timecards or time sheets were prepared for full-time salaried employees. Section B.3.1 of the A-C Handbook states that timecards or time reports must be prepared for each employee for each pay period, and be signed in ink by the employee and the employee's supervisor.

- One personnel file (8%) did not contain the employee's current salary rate. Section 11-402 of the CDSS MPP requires supporting documentation to be maintained for all program expenditures, including employee salary rates.

Recommendations

Hannah's management:

9. **Require all employees to complete and sign timecards for each pay period, and have the timecards approved in writing by a supervisor.**

10. **Ensure employee personnel files contain current authorized salary.**

Independent Contractors

Section A.3.2 of the A-C Handbook requires agencies to have contracts, time and attendance records, billing rates and other supporting documentation for all independent contractors. In addition, Section A.2.6 requires agencies to report payments to independent contractors to the federal and State governments. We reviewed five independent contractors/vendors hired by the Agency and noted:

- Hannah's did not have a contract for one (20%) independent contractor documenting the services to be provided or the billing rates.
- Hannah's did not report the income for one (20%) independent contractor to the taxing agencies.
- Hannah's underreported the amount paid to two (40%) independent contractors to the taxing agencies

Recommendations

Hannah's management:

11. **Ensure the Agency has contracts on file for all contractors, describing the services to be provided and the billing rates.**

12. **Ensure that all income paid to independent contractors is properly reported to the federal and State taxing agencies.**

Bank Reconciliations

Section B.1.4 of the A-C Handbook requires that bank reconciliations be prepared within 30 days of the bank statement date, and reviewed by management for appropriateness and accuracy.

Hannah's indicated that their bank reconciliations were prepared using the format on their bank statements. We reviewed the Agency's bank reconciliations and noted that the reconciliations were incomplete; the account balances did not reconcile to the Agency's general ledger, and the reconciliations were not signed/dated by the preparer and reviewer.

Recommendation

13. Hannah's management ensure that bank reconciliations are properly completed within 30 days of the bank statement date and signed and dated by the preparer and reviewer.

County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
425 Shatto Place, Los Angeles, California 90020
(213) 351-5602

PATRICIA S. PLOEHN, LCSW
Director

November 2, 2007

Kimberly Berry, Executive Director
Hannah's Childrens Homes
1045 W. Katella, No. 330
Orange, CA 92867

Dear Ms. Berry:

AUDITOR-CONTROLLER'S FISCAL REVIEW REPORT ON HANNAH'S CHILDRENS HOMES – A FOSTER FAMILY AGENCY FOSTER CARE CONTRACTOR

We have reviewed your fiscal corrective action plan (FCAP) addendum with the last submission date of September 17, 2007 in response to the Auditor-Controller's draft fiscal audit report dated March 28, 2007. The FCAP fully addresses eleven recommendations and partially addresses one recommendation directed to your agency (See Enclosure I). In order to fully address recommendation #8, please provide me copies of the most current cancelled checks issued so that I can confirm that the policy has been implemented. The one recommendation directed to DCFS was fully addressed (See Enclosure II).

With regard to the $89,224 in questioned costs, a total of $43,544 has been allowed after your agency provided additional information and supporting documentation (See Enclosure III). The remaining balance of $45,690 must be repaid to the Department.

I have also enclosed a proposed repayment schedule. Please contact me at (213) 351-3208 to set up an appointment for you to sign the repayment agreement. I will be out of the office until November 13, 2007. The repayment agreement must be signed prior to November 16, 2007.

Sincerely,

Sue Harper

Sue Harper, ASM III
Fiscal Monitoring & Special Payments

SKH:MH:mh

Enclosures (3)

C: Mike McWatters, Chief Audit Division
Russell Lingo, Principal Accountant-Auditor
Al Fong, Senior Accountant-Auditor

"To Enrich Lives Through Effective and Caring Service"

ATTACHMENT I

HANNAH'S CHILDRENS HOMES
LOS ANGELES COUNTY AUDITOR-CONTROLLER
REVIEW OF GROUP HOME FOSTER CARE CONTRACT

Summary of Recommendations

Based on the Fiscal Corrective Action Plan (FCAP) dated July 2, 2007, August 6, 2007, September 5, 2007, and September 17, 2007 submitted by Hannah's Childrens Homes (Hannah's or Agency), the status of each of the 13 recommendations is summarized as follows:

- 11 Recommendations (#2, 3, 4, 5, 6, 7, 9, 10, 11, 12, and 13) were fully addressed and satisfied.
- 1 Recommendations (#8) was partially addressed.
- 1 Recommendation (#1) directed to the Department was addressed (See Attachment II).

Recommendations Fully Addressed

2. Ensure that foster care funds are used only for necessary, allowable and reasonable expenditures to carry out the purpose and activities of the Agency.

Agency Proposed FCAP: Hannah's will properly and appropriately use the funds received for foster care. All bills will be distributed to the finance department to be redirected (when necessary) to the authorized individual to review the reasonableness and allowability and approval. All bills will be reviewed for correctness by the appropriate department with final approval given by the supervisor/manager.

DCFS Response: DCFS accepts the agency's policy. No significant exceptions were found after reviewing the supporting documentation.

3. Maintain adequate supporting documentation for all Agency expenditures, including loan agreements, original itemized invoices and receipts.

Agency Proposed FCAP: All check distributions will require approved invoices or expense vouchers. Each check request form must have the original receipt, or invoice, attached and include the nature of the expenditure and its relevance to the program.

DCFS Response: DCFS accepts the agency's policy.

4. **DCFS work with Hannah's to resolve the overpayments and ensure that Hannah's reimburses the County for any confirmed overpayments.**

   Agency Proposed FCAP: Hannah's has agreed with the overpayment records of DCFS. Hannah's is working with the DCFS Overpayment Unit to finalize the repayment plan. Hannah's has developed a form based on the DCFS form "Covina 71" for immediate return of overpayments. Use of this form will enable Hannah's staff to proactively identify when an overpayment occurs, rather than waiting for invoice from DCFS.

   DCFS Response: DCFS accepts the Agency's policy. After reviewing the supporting documentation and discussions with Overpayment Unit staff, no significant exceptions were found.

5. **Hannah's management ensure that the membership of the Agency's Board of Directors complies with the California Corporations Code.**

   Agency Proposed FCAP: An additional Board member, non-interest person, has been added. The agency has maintained compliance with Section 5227 (California Corporations Code).

   DCFS Response: DCFS accepts Agency's policy. No exceptions were found after reviewing the supporting documentation provided by the Agency.

6. **Hannah's management develop a valid cost allocation plan that allocates the administrative expenses to the various Agency programs and Counties on an equitable basis.**

   Agency Proposed FCAP: Hannah's will charge all direct costs to individual programs and the associated county. Hannah's has separated the FFA from Adoption with separate banking accounts, payroll services and general ledger cost centers. Indirect costs are allocated to programs/county based on the revenue. Two months of CH and one month of LA FFA cost report were provided.

   DCFS Response: DCFS accepts the agency's policy. No significant exceptions were found after reviewing the supporting documentation.

7. **Ensure expenditure items are properly classified on the Agency's general ledger on a consistent basis.**

Agency Proposed FCAP: Hannah's keeps separate account codes for different county programs. Monthly review will be conducted by Accounting Department. Staff responsible for the monthly closing and year-end closing will review the classification of expenditures. Also the Officers and Program Managers will conduct a financial review to avoid any inappropriate classification.

DCFS Response: DCFS accepts the agency's policy.

9. **Require all employees to complete and sign timecards; approval in writing by a supervisor.**

   Agency Proposed FCAP: Each employee maintains his/her own time sheet on a daily basis. Each Office Manager reviews their program time cards for accuracy. Once reviewed, the timecards are submitted to the Human Resources (HR) Department for records and finance/payroll department for payroll processing. Employee time sheet samples were provided.

   DCFS Response: DCFS accepts the agency's policy. No significant exceptions were found after reviewing the supporting documentation.

10. **Ensure employee personnel files contain current authorized salary.**

    Agency Proposed FCAP: Each employee has an annual review done by their immediate supervisor, and when applicable a Director. If the review results in a pay increase, an employment status change form is issued. Any employment change is noted on this document, signed and dated by all parties. This approved copy will become part of the employee's personnel file. A copy is given to the Accounting/Payroll Department for proper reporting. Copies of Employment Status Form were provided.

    DCFS Response: DCFS accepts the agency's policy. No significant exceptions were found after reviewing the supporting documentation.

11. **Ensure the Agency has contracts on file for all contractors, describing the services to be provided and the billing rates.**

    Agency Proposed FCAP: All independent contractors files should include contract agreement describing the services to be provided and the billing rates. All independent contractors need to fill in the standard Independent Contract acknowledgement. Once this acknowledgement is signed, the contract between Hannah's and the Independent Contractor is executed. This document spells out the terms of the agreement including the agreed upon contract rate and services items. A copy of Independent Contractor Acknowledgement was provided.

DCFS Response: DCFS accepts the agency's policy. No significant exceptions were found after reviewing the supporting documentation provided by the Agency.

12. **Ensure that all income paid to independent contractors is properly reported to the federal and state taxing agencies.**

    Agency Proposed FCAP: Hannah's will maintain a file on each individual. A 1099 will be issued at year-end. Individuals qualifying as an independent contractor will sign the Independent a Contractors Agreement and submit a W-9 as established by the IRS. Any new contractor will be set up an individual vendor account.

    DCFS Response: DCFS accepts the agency's policy. No significant exceptions were found after reviewing the supporting documentation.

13. **Hannah's management ensure that bank reconciliations are properly completed within 30 days of the bank statement date, and signed and dated by the preparer and reviewer.**

    Agency Proposed FCAP: Hannah's will ensure that bank reconciliation will be completed within 30 days of the bark statement date with preparer and reviewer's signatures. In conjunction with Hannah's current cross check for account balancing, Hannah will consistently use the Bank Reconciliation module in the accounting software program to prepare this statement. One copy of most current bank reconciliation statement was provided.

    DCFS Response: DCFS accepts the agency's policy. No significant exceptions were found after reviewing the supporting documentation.

Recommendations Partially Addressed

8. **Require a second signature on all checks from someone independent of the expenses.**

    Agency Proposed FCAP: Per Accounting Policies and Procedures of Hannah's, three positions are authorized to sign checks. They are Secretary of Corporation (main signer), Chief Financial Officer, and Chief Operating Officer. No authorized signer will sign or approve a check made payable to themselves. Individuals involved with check preparation and bank reconciliation are prohibited from having check signing authority. Any pre-approved authorization for payment, with the disbursement amount exceeding the standard range for this expense, will require a dual signature.

DCFS Response: DCFS accepts the agency's policy. Please provide copies of most current checks issued to check authorized signer to ensure the implementation of this policy.

mh- 09/20/07

HANNAH'S CHILDRENS HOMES (HANNAH'S or AGENCY)
FISCAL AUDIT OF FOSTER FAMILY AGENCY CONTRACT

REVIEW OF EXPENDITURES

Recommendation 1. Resolve the $89,224 in unallowable and unsupported /inadequately supported expenditures and collect any disallowed amounts.

DCFS RESPONSE: Please see Attachment III for a breakdown of allowed and disallowed costs. Also, please note that Los Angeles County's share of the disallowed costs is 71.42%. The amount your Agency will be required to pay back to Los Angeles County takes this percentage into consideration.

The Auditor-Controller review disclosed a total of **$89,224** in questioned costs with HANNAH'S. **$43,544** in questioned costs has been allowed after reviewing the additional information/supporting documentation provided by your Agency (see Attachment III). The remaining **$45,690** in questioned costs is disallowed and must be repaid. Details of these costs are discussed below.

Unsupported/Inadequately Supported Costs

HANNAH'S **$5,597** in unsupported and inadequately supported expenditures. DCFS will allow **$1,600** after considering the portion (28.58%) of cost charged to other funding rather than DCFS foster care funds. **The remaining $3,997 is disallowed and must be repaid to DCFS.** (See Attachment IV).

- **$3,127** in inadequately supported costs for items such as food, lunch and telephone reimbursements and holiday party reimbursements to employees. **$894** is allowed after considering the portion of cost charged to funding rather than DCFS foster care funds. **The $2,233 in questioned costs remains disallowed and must be repaid.**

- **$2,470** in unsupported reimbursements to employees for snacks, gifts, office supplies, postage/freight charges and loans from employees. The **$706** is allowed after considering the portion of cost charged to funding rather than DCFS foster care funds. **The $1,764 in questioned cost remains disallowed and must be repaid to DCFS.**

The Auditor-Controller (A-C) Handbook states that all revenues and expenditures shall be supported by original vouchers, invoices, receipts, timecards, travel logs, contract and loan agreements and/or other documentation and the unsupported expenditures shall be disallowed upon audit. Without the supporting documentation, DCFS is unable to determine the allowability. **Based on the consideration for the funding sources, a total $3,997 remains disallowed and must be repaid.**

Unallowable Costs

The Auditor-Controller identified unallowable GH expenditures **$83,627** is as follows:

- **$10,593** in unreasonable salaries to the Agency's Executive Director. The annual salary for the Agency's Executive Director for the FFA program is $122,300 which is higher than the 2005 CWLA Study, the average annual salary for an Executive Director of Hannah's size is $111,707. Therefore, A-C questioned $10,593 as excessive salary compensation to the Executive Director ($122,300-$111,707).

- **$55,590** in unreasonable salaries to the Agency's Assistant Executive Director (AED). The AED's salary of $99,500 exceeds the CWLA average of $87,820, the AED also received $72,000 annually as the Director of a Group Home that the Agency operated (no County children were placed in the Agency's Group Home). A-C believes it is unreasonable for the AED to receive two full-time salaries. However, Hannah's does not have acceptable time reports for its full-time salaried employees. A-C assumed the AED worked ½ time on each program. This results in a salary for the FFA program of $43,910 ($87,820 x ½). Based on A-C's estimate of a reasonable salary, the questioned cost will be $55,590 ($99,500-$43,910) of the AED's salary. The **$26,356** is allowed after considering the regional factor to salary and the portion of cost charged to funding rather than DCFS foster care funds (see Attachment III-1). **The $29,234 in questioned cost remains disallowed and must be repaid to DCFS.**

- **$17,444** in payments to unallowable costs such as interest, fines, penalties and others. The **$4,986** is allowed after considering the portion of cost charged to funding rather than DCFS foster care funds. **The $12,458 in questioned costs remains disallowed and must be repaid to DCFS.**

  -- $13,379 in personal expenditures made by two Agency cardholders.

  -- $3,922 in finance charges and late fees.

  -- $143 in fundraising expenses.

In summary, a total of $45,690 of these remain disallowed by DCFS and must be repaid.

SKH:mh

ATTACHMENT IV

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
REPAYMENT SCHEDULE - HANNAH'S CHILDRENS HOMES
FOR THE PERIOD OF 1/2008 - 12/2010 (36 months)

REPAYMENT SCHEDULE				
Payment No.	PERIOD		PAYMENT AMOUNT	BALANCE
	MONTH	YEAR		
			DISALLOWED COSTS:	$ 45,690
1	1	2008	1,275	44,415
2	2	2008	1,269	43,146
3	3	2008	1,269	41,877
4	4	2008	1,269	40,608
5	5	2008	1,269	39,339
6	6	2008	1,269	38,070
7	7	2008	1,269	36,801
8	8	2008	1,269	35,532
9	9	2008	1,269	34,263
10	10	2008	1,269	32,994
11	11	2008	1,269	31,725
12	12	2008	1,269	30,456
13	1	2009	1,269	29,187
14	2	2009	1,269	27,918
15	3	2009	1,269	26,649
16	4	2009	1,269	25,380
17	5	2009	1,269	24,111
18	6	2009	1,269	22,842
19	7	2009	1,269	21,573
20	8	2009	1,269	20,304
21	9	2009	1,269	19,035
22	10	2009	1,269	17,766
23	11	2009	1,269	16,497
24	12	2009	1,269	15,228
25	1	2010	1,269	13,959
26	2	2010	1,269	12,690
27	3	2010	1,269	11,421
28	4	2010	1,269	10,152
29	5	2010	1,269	8,883
30	6	2010	1,269	7,614
31	7	2010	1,269	6,345
32	8	2010	1,269	5,076
33	9	2010	1,269	3,807
34	10	2010	1,269	2,538
35	11	2010	1,269	1,269
36	12	2010	1,269	-